

COUNTY OF LOS ANGELES – DEPARTMENT OF MENTAL HEALTH

FACT SHEET

**REQUEST OF APPROVAL TO FURTHER IMPLEMENT THE MENTAL HEALTH
SERVICES ACT – COMMUNITY SERVICES AND SUPPORTS PLAN
FOR ALTERNATIVE CRISIS SERVICES**

AND

**APPROVAL OF A NEW DEPARTMENT OF MENTAL HEALTH LEGAL ENTITY
AGREEMENT WITH USC CARE MEDICAL GROUP, INC. OF THE UNIVERSITY OF
SOUTHERN CALIFORNIA TO PROVIDE AN URGENT CARE CENTER PROGRAM**

FOR

FISCAL YEARS 2007-08, 2008-09 and 2009-10

(ALL SUPERVISORIAL DISTRICTS)

(3 VOTES)

REQUEST

Authorize the Director of Mental Health to implement, effective upon Board approval, the USC Care Medical Group, Inc. (USC) of the University of Southern California Urgent Care Center (UCC) program in keeping with the Department of Mental Health's (DMH) Mental Health Services Act (MHSA) Community Services and Supports (CSS) Plan for Fiscal Years (FY) 2007-08, 2008-09 and 2009-10.

Approve and authorize the Director of Mental Health or his designee to prepare, sign, and execute a new DMH Legal Entity (LE) Agreement substantially similar to Attachment I, with USC to implement the UCC program for FYs 2007-08, 2008-09 and 2009-10. The prorated Maximum Contract Amount (MCA) for FY 2007-08 will be \$2,747,600, fully funded by \$279,400 in Federal Financial Participation (FFP) Medi-Cal, \$52,500 in Early and Periodic Screening, Diagnosis, and Treatment-State General Funds (EPSDT-SGF), \$7,500 in State Managed Care and \$2,408,200 in MHSA CSS funds. The full-year MCA for FY 2008-09 and FY 2009-10 will be \$3,658,500, fully funded by \$370,000 in FFP Medi-Cal, \$70,000 in EPSDT-SGF, \$7,500 in State Managed Care and \$3,211,000 in MHSA CSS funds.

Approve and authorize the Director of Mental Health or his designee to terminate the existing Medi-Cal Professional Services Group Provider Agreement with USC Care Medical Group Inc., contract number MH 6024, effective as of the date the new LE Agreement with USC becomes effective.

Delegate authority to the Director of Mental Health or his designee to prepare, sign, and execute future amendments to this LE Agreement, provided that: 1) the County's total payments to the Contractor under the Agreement for each fiscal year shall not exceed a change of 20 percent from the applicable revised MCA; 2) any such increase shall be

used to provide additional services or to reflect program and/or policy changes; 3) the Board of Supervisors has appropriated sufficient funds for all changes; 4) approval of County Counsel and the Chief Executive Office (CEO) or their designee is obtained prior to any such Amendment; 5) the County and Contractor may, by written Amendment, mutually agree to reduce programs or services without reference to the 20 percent limitation; and 6) the Director of Mental Health shall notify the Board of Supervisors of Agreement changes in writing within 30 days after execution of each Amendment.

PURPOSE/JUSTIFICATION

Board approval of the recommended actions will enable USC Care Medical Group, Inc. to provide a UCC, located in proximity to the Los Angeles County+University of Southern California (LAC+USC) Medical Center's Psychiatric Emergency Services (PES). The first phase of implementation is planned for October 2007, when services would be offered during the regular work week (8:00 a.m. to 5:00 p.m., Monday through Friday). Full 24-hours per day/seven days per week operations are projected to coincide with the opening of the new LAC+USC Medical Center in the spring of 2008.

The UCC is intended to relieve the overcrowding in the LAC+USC PES and the related increasing demand for inpatient psychiatric services; provide 24/7 recovery-oriented outpatient psychiatric services for individuals in crisis who do not require hospitalization, if stabilized with intensive outpatient services; promote integrated treatment for mental health clients with co-occurring substance abuse disorders; ensure integration with other LAC+USC Medical Center services and community-based resources; and serve as a training site for mental health professionals, in accordance with the Department's MHSA CSS Plan approved by your Board on May 9, 2006.

USC Care Medical Group, Inc. is uniquely qualified to provide the UCC program in that it currently provides the LAC+USC Medical Center inpatient and outpatient mental health services under contract with the Department of Health Services (DHS) and an affiliated residency and training program. A key element of the USC UCC will be to ensure integration with other services at the Medical Center as well as with the larger community of mental health providers, including the recently implemented Full Service Partnerships and other programs funded by MHSA. The UCC program will also include internships and residency training in community psychiatry and urgent care services for psychiatrists and psychologists, as well as training opportunities for social work, nursing rehabilitation, and other professions. Attachment II is a Comprehensive Final Report (Report) on the proposed USC Psychiatric UCC. Subsequent to the preparation of this Report, DMH and USC agreed that DMH would continue to reimburse DHS directly for

the cost of the UCC psychiatry residents, thus reducing the full year budget summary presented in the Report by \$341,400, resulting in a total full year MCA of \$3,658,500.

USC currently has a Medi-Cal Professional Services Agreement (MH 6024) as a Group Provider with the Department. The approximate \$15,000 in annual Medi-Cal services covered by this Group Provider Agreement is incorporated into this new Agreement. The Group Provider Agreement will be terminated effective the date this new Agreement becomes effective.

BACKGROUND

The requested actions are consistent with the PES Relief Plan (Plan) developed by DMH and DHS in conjunction with the CEO. The Plan includes UCCs, strategically located throughout the County, to relieve the overcrowding of the County PES and to provide community-based alternatives to hospitalization for individuals in crisis who could be stabilized with intensive outpatient services. The proposed UCC will be the fourth UCC to be funded under the MHSA CSS Alternative Crisis Services Plan. Currently DMH has two directly-operated UCCs, Augustus F. Hawkins and Olive View, and one contracted UCC, the Westside UCC, which opened in December 2006.

SEIU Local 721 has previously expressed concerns regarding the contracting out of this UCC, which included: an opposition to contracting because they do not believe that contractors are as cost-efficient as claimed, nor as effective as County employees; other facilities (King/Harbor, Olive View) have UCCs run by County employees, and why would LAC+USC UCC be different; and disruptions in the continuity of care, because patients will be seen by USC employees in the UCC, and then referred to DHS and/or DMH for further treatment.

In early June, 2007 DMH and the Union had several discussions regarding these concerns, and these issues were raised at the June 6, 2007 and June 26, 2007 Health Deputy meetings. DMH and DHS have continued to work together to reach a mutual resolution for the provision of psychiatric services to residents of Los Angeles County. Most recently, the Departments have been working together to identify opportunities to increase the effectiveness and efficiency of existing services, identify new initiatives to decompress the psychiatric emergency and inpatient services that do not require additional funding, identify opportunities to leverage existing or new funding, and finalize the determination of additional resources needed to maintain core psychiatric services provided by DMH.

CEO is currently in progress of finalizing our report on psychiatric services provided by DHS and DMH, and this report will address the concerns raised by SEIU Local 721. We

anticipate providing your Board with our written report by October 5, 2007, and placing this item for discussion on your Board's October 16, 2007 agenda.

The Agreement with USC includes psychiatry residents and other disciplines' training concomitant with service delivery and overhead, including tithes, related to the costs of providing such supervision, teaching, and academic services by the University of Southern California, and the County agrees to reimburse these costs.

CONTRACTING PROCESS

On May 1, 2007, your Board approved the University of Southern California to develop the UCC program in its design, including the budget, operational details, policies and procedures, staffing and staff training, in order to facilitate the implementation of the first phase of service delivery.

In compliance with your Board's contracting policy requirements for sole source contracts, DMH notified your Board on April 5, 2007, regarding the intent to enter into a new Mental Health Services Agreement with the University of Southern California for provisions of service delivery consistent with the PES Relief Plan.

DMH CONTACT

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